

Message Text

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LIMDIS

E.O. 11652:GDS

TAGS: EEWT, BU, US

SUBJECT: BULGARIA AND MFN

REF: SOFIA 1228

1. DAVID MORSE, ACCOMPANIED BY STANTON ANDERSON, MET WITH DAS LUERS ON JULY 3 TO DISCUSS MORSE'S VISIT TO BULGARIA. MORSE ADDED A FEW MORE DETAILS TO THOSE REPORTED IN THE REFTEL. HE SAID THAT MINISTER OF FOREIGN TRADE, KHRISTOV, HAD TOLD HIM THAT BULGARIA IS INTEGRATED INTO THE SOVIET SYSTEM AND DOES NOT WANT TO OFFEND THE SOVIETS. ON THE OTHER HAND, KHRISTOV THOUGHT THAT US POLICY ON MFN WAS UNFAIR TO BULGARIA. BULGARIA HAS NEVER DEFAULTED ON A FINANCIAL OBLIGATION. IT HAD THE BEST RECORD ON PROTECTING ITS JEWISH POPULATION DURING WWII, AND ALLOWED THOSE JEWS WHO WISHED TO DO SO TO EMIGRATE TO ISRAEL AFTER THAT STATE WAS FOUNDED. KHRISTOV ASKED MORSE TO PREPARE A PAPER WITH HIS
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VIEWS ON THE POSSIBILITY OF BULGARIA OBTAINING MFN. THE PAPER SHOULD ALSO CONTAIN A STRATEGY FOR OBTAINING IT.

2. LUERS TOLD MORSE THAT WE DO NOT YET HAVE POLICY GUIDELINES ON THIS SUBJECT. IN THE PAST THERE HAS BEEN A PRESUMPTION AGAINST EXTENDING MFN BUT THIS MAY HAVE TO CHANGE. LUERS SAID THE BULGARIANS SEEM TO BE FEELING MORE NATIONAL-

ISTIC. THEY SEE OTHER EASTERN COUNTRIES ESTABLISHING BETTER TIES WITH THE WEST AND ARE AFRAID THAT THEY MAY BE UNABLE TO FOLLOW SUIT BECAUSE THEY HAVE AN IMAGE OF TOADYING TO THE SOVIETS. MORSE NOTED THAT THE BULGARIANS MENTIONED PRIDE IN THEIR NATIONAL IDENTITY AND ASKED HIM WHY THEIR RELATIONSHIP WITH THE SOVIETS SHOULD BE DAMAGING TO THEIR RELATIONSHIP WITH THE US.

3. LUERS SAID HE SAW THREE ASPECTS OF THE PROBLEM THAT WOULD HAVE TO BE EXAMINED IN DETAIL BEFORE THE USG COULD CONSIDER NEGOTIATING A TRADE AGREEMENT WITH BULGARIA. FIRST THERE ARE THE ISSUES RELATED TO THE JACKSON-VANIK AMENDMENT. WE WILL NEED TO KNOW MORE ABOUT BULGARIAN PERFORMANCE ON EMIGRATION. THERE ARE STILL SOME DIVIDED FAMILY PROBLEMS. BULGARIA HAS RESTRICTIVE LAWS ON EMIGRATION. IT WILL BE NECESSARY TO WORK OUT SOME FORMULATION ON ASSURANCES.

4. THEN THERE ARE PROBLEMS RELATING TO THE NEGOTIATION OF THE TRADE AGREEMENT ITSELF. THERE ARE PROBABLY NO INSURMOUNTABLE OBSTACLES, BUT WE WILL NEED TO LEARN MORE ABOUT THE OPERATION OF THE BULGARIAN ECONOMY BEFORE WE CAN DETERMINE WHERE THE DIFFICULTIES MAY LIE. NEGOTIATION OF THE HUNGARIAN AGREEMENT WAS SIMPLIFIED BECAUSE HUNGARY IS A MEMBER OF THE GATT.
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5. FINALLY THERE ARE CERTAIN POLITICAL ISSUES. BULGARIA HAS THE IMAGE OF BEING REPRESSIVE INTERNALLY AND SUBSERVIENT TO THE SOVIETS ON FOREIGN POLICY. WE WILL HAVE TO SEE WHAT STEPS THE BULGARIANS CAN TAKE TO IMPROVE THEIR PERFORMANCE AND THEIR IMAGE. THEY ARE NOT AS BAD AS IS WIDELY PRESUMED.

6. DURING HIS VISIT TO SOFIA, MORSE HAD BREAKFAST WITH DEPUTY FOREIGN TRADE MINISTER GINEV WHO BROUGHT ALONG A NOTE FROM DEPUTY CHAIRMAN OF THE COUNCIL OF MINISTERS LUKANOV. LUKANOV ASKED THAT THE MEMO BE PREPARED WITH DISPATCH. HE ALSO ASKED MORSE TO INQUIRE WHETHER SENATOR RIBICOFF WOULD ACCEPT AN INVITATION TO ADDRESS THE BULGARIAN PARLIAMENT SOMETIME IN THE FALL. MORSE SAID HE HAS NOT YET SPOKEN TO RIBICOFF AND WOULD LIKE THIS INFORMATION KEPT
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7. ON JULY 6, DEPARTMENT OFFICERS FROM EUR/EE, L, AND EB MET WITH STANTON ANDERSON AND WALTER SURREY TO DISCUSS ISSUES THAT MIGHT ARISE SHOULD THE USG DECIDE TO PROCEED WITH BULGARIA TOWARD MFN. THE CONVERSATION COVERED TRADE

ISSUES, EMIGRATION PERFORMANCE, AND SUCH POLITICAL ISSUES
AS HUMAN RIGHTS AND CSCE PERFORMANCE. THEY HOPE TO COM-
PLETE THEIR PAPER AND DELIVER IT TO THE GOB SOMETIME AROUND

JULY 22. THEY HAVE PROMISED US A COPY.

8. WE ARE SENDING A SEPARATE MESSAGE WITH MORE DETAILED
GUIDANCE FOR REPORTING ON THESE SUBJECTS. VANCE

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